weekly economic review

January 4, 2013

Labour Market

Alberta employment dips in December, but finishes a strong 2012

Alberta lost 6,100 jobs in December, the first decline in employment since June. Year-over-year job growth has moderated since May, coming in at 1.5% for December.

The drop in employment contributed to a 0.3 percentage points increase in the unemployment rate. Even with the increase, Alberta's 4.5% unemployment rate is still the lowest in the country.

The weaker December numbers close out an otherwise strong year for employment in Alberta. Alberta led all provinces in job growth for 2012, adding 55,500 jobs (2.7%). The increase was substantially higher than that of second place Newfoundland and Labrador (2.3%), and was well above the national increase (1.2%). Alberta also led the country with the lowest unemployment rate in 2012 at 4.6%, down from 5.5% in 2011.

Nationally, employment was up 39,800 in December, building on momentum from November's gain of 59,300. Ontario led all provinces with 32,900 jobs added. The employment gains caused the unemployment rate to fall by 0.1 percentage points to 7.1%.

For 2012, the national labour market created 201,500 net new jobs, and the unemployment rate edged down to 7.2%.

For more information see this month's Labour Market Notes

Rigs Drilling

Drilling activity closes out 2012 on a weak note

After reaching a five-year high in 2011, Alberta drilling activity moderated in 2012, mainly due to weaker natural gas activity. The average number of rigs drilling was 250 in 2012, down 12.6% from 2011. In December, rigs drilling were 16.6% below levels a year ago, the seventh consecutive year-over-year decrease.

US Economy

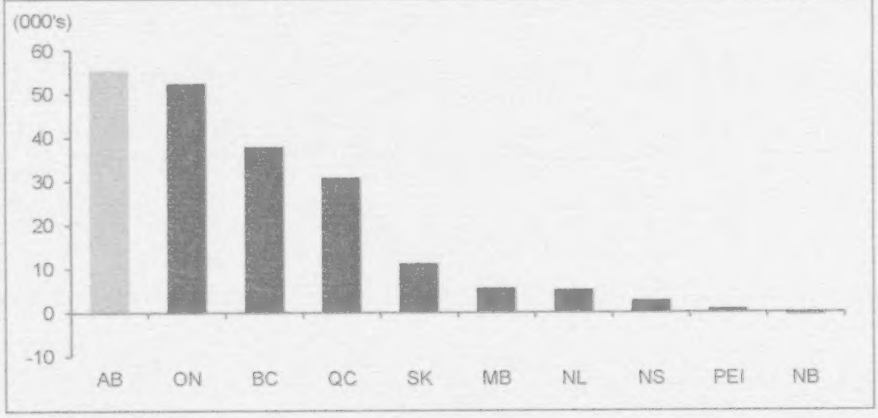
Fiscal crisis avoided for now

At the last minute, the US Congress passed legislation to avoid going over the "fiscal cliff". The deal prevented many of the automatic tax hikes and spending cuts that were to be triggered on January 1, and postponed until March 1 the so-called "sequestration" cuts to spending passed in the wake of the 2011 debt ceiling crisis. The US treasury has already reached the debt ceiling agreed to in 2011, but can continue to operate until late February, early March. While Congress debates sequestration and the debt ceiling it must also deliver a new budget. The continuing budget resolution currently funding the government will expire on March 27.

More of the same for the US labour market

The employment picture in the US continues to show little sign of improvement as a broad range of indicators moved sideways in December. The US added 155,000 payroll jobs in December largely unchanged from the 161,000 jobs added in November. This brought average monthly job gains for 2012 to 153,000, which is the same as average gains in 2011. Similarly, both the unemployment rate (7.8%) and the participation rate (63.6%) have remained largely unchanged since September. Ongoing fiscal uncertainty continues to weigh on hiring and investment decisions.

2012 Employment growth by province ('000)



Source: Statistics Canada

Closing Prices	December 20, 2012	January 3, 2012	2012–13 Fiscal YTD
Canadian Dollar (US¢/$CAN)	101.18	101.49	100.11
WTI Oil ($US/bbl)	$90.13	$92.92	$91.26
NYMEX Natural Gas ($US/MMBtu)	$3.46	$3.20	$2.93

Alberta Economic Indicators[1]

Population	2010	2011	2012YTD	Jul	Aug	Sep	Oct	Nov	Dec
Population[2] (000's)	3,724	3,778	3,874	3,874	..	..	3,907	..	..
% change	1.4	1.5	2.5	2.5	..	..	2.9	..	..
Net Interprovincial Migration[2] (level)	3,271	8,443	28,170	8,541	..	..	13,915	..	..
Net International Migration[2] (level)	24,100	16,703	37,990	14,546	..	..	10,809	..	..
Net Non-permanent Residents[2] (level)	14	7,604	9,721	5,244	..	..	3,946	..	..
Labour Market									
NEW: Employment (000's), SA	2,017	2,094	2,150	2,150	2,154	2,156	2,161	2,171	2,165
% change	0.4	3.8	2.7	2.2	2.1	1.8	1.7	1.8	1.5
NEW: Unemployment Rate (%), SA	6.5	5.5	4.6	4.6	4.4	4.4	4.5	4.2	4.5
NEW: Participation Rate (%), SA	72.9	73.7	73.4	73.3	73.2	73.1	73.1	73.0	72.9
Average Weekly Earnings ($), SA	993.28	1,038.69	1,070.70	1088.99	1088.45	1083.98	1098.37	..	..
% change	4.6	4.6	3.3	5.5	3.6	3.9	4.3	..	..
Price Indices									
Consumer Price Index	1.0	2.4	1.2	0.9	1.0	1.4	0.6	0.6	..
Excluding food and energy	0.8	0.8	1.4	1.4	1.4	1.1	1.2	0.9	..
Non-Res. Building Cons. Price Index[3]	-0.1	3.4	4.1	..	..	3.5	..	..	..
Farm Product Price Index	1.8	18.0	5.2	4.6	5.0	2.3	..	..	..
Crops	-9.6	19.3	1.9	0.5	4.2	1.7	..	..	..
Livestock	5.7	16.7	7.8	7.1	5.2	3.7	..	..	..
Household Sector									
Housing Starts (SAAR, 000's)	27.1	25.7	33.6	33.3	29.3	33.3	33.3	38.9	..
% change	33.5	-5.1	33.1	31.5	-6.5	-35.9	0.22	29.0	..
New Housing Price Index[4]	0.5	0.4	1.2	1.5	1.6	1.8	1.6	..	..
Edmonton	-0.8	0.9	0.9	0.8	0.9	1.3	0.8	..	..
Calgary	1.7	-0.1	1.4	2.3	2.4	2.3	2.4	..	..
MLS Average Resale Prices ($ 000's)	350.9	352.7	361.7	363.1	363.9	361.8	367.6	371.0	..
% change	3.1	0.5	2.3	3.2	3.6	0.7	4.3	4.3	..
Edmonton ($ 000's)	326.5	324.2	333.1	331.8	334.0	324.2	332.7	347.4	..
% change	2.3	-0.7	2.4	1.2	2.9	-2.3	1.8	3.4	..
Calgary ($ 000's)	397.4	401.9	409.1	411.5	410.9	410.2	422.5	416.8	..
% change	3.4	1.1	1.5	3.1	1.8	0.0	5.2	4.3	..
Retail Sales, SA	6.0	6.9	8.9	9.6	8.5	8.3	6.1	..	..
New Motor Vehicle Sales	9.5	9.6	12.4	10.8	9.0	15.7	9.1	..	..
NEW: Consumer Bankruptcies (level)	8,150	7,029	4,993	489	454	421	489	..	..
% change	-18.4	-13.8	-16.4	-8.4	-23.7	-19.8	-5	..	..
Business Sector									
NEW: Rigs Drilling (level)	207	286	250	198	223	229	236	258	287
% change	68.1	30.4	-12.6	-17.5	30.9	33.7	-29.6	21.8	16.6
Goods Exports (customs based)	12.6	18.5	4.8	0.8	-7.5	-8.7	7.1	..	..
Energy	17.1	19.4	5.9	3.3	-9.9	-8.3	9.5	..	..
Farm, Fishing and Intermediate Food	15.9	27.2	22.2	6.2	30.4	25.2	26.2	..	..
Total Farm Cash Receipts (quarterly)	3.7	15.2	15.0	..	..	8.6	..	..	..
Manufacturing Shipments, SA	11.3	18.0	8.0	7.1	5.5	1.1	2.6	..	..
Wholesale Trade, SA	8.5	15.0	13.6	12.6	9.7	7.4	..	..	..
Building Permits, SA	1.3	11.8	13.5	0.1	11.0	6.7	18.9	..	..
Residential	22.4	5.2	18.3	1.2	30.2	9.4	14.2	..	..
Non- residential	-18.3	20.9	7.7	-1.5	10.4	1.4	26.7	..	..
NEW: Business Bankruptcies (level)	378	264	199	16	10	21	18.0	..	..
% change	-6.7	-30.2	-12.3	6.7	-61.5	-8.7	40.0	..	..

YTD (year- to- date) represents the change since the beginning of the year compared to the same period in the previous year. "SA" denotes seasonally adjusted.

[1] Unless otherwise indicated, all figures are year- over- year percentage change and not seasonally adjusted.

[2] Quarterly, annual numbers are presented on a census year basis (July 1– June 30)

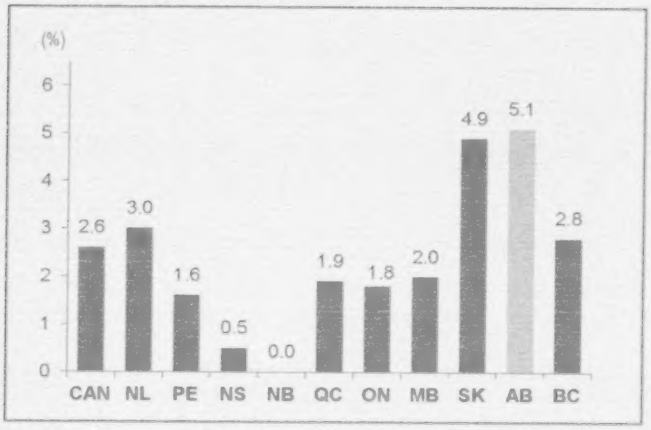
[3] Quarterly, average of Calgary and Edmonton

[4] Average of Calgary and Edmonton

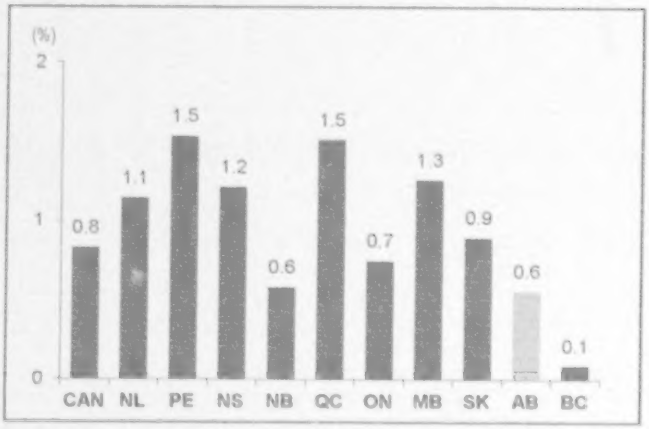
Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation); MLS Average Resale Prices (Canadian Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (Office of the Superintendent of Bankruptcy Canada).

Economic Indicators by Province

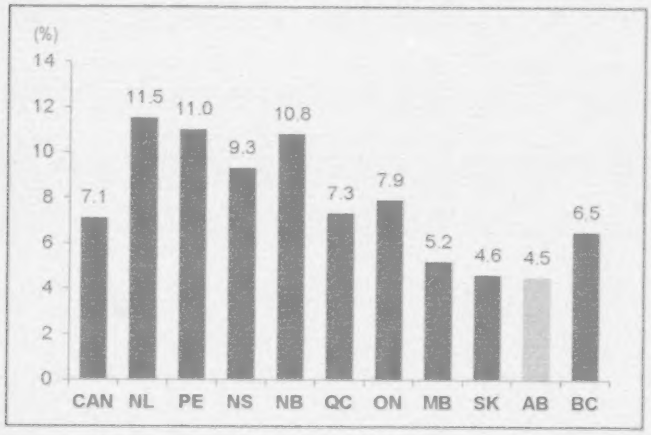
Real GDP Growth by Expenditure
(2011, year-over-year growth)



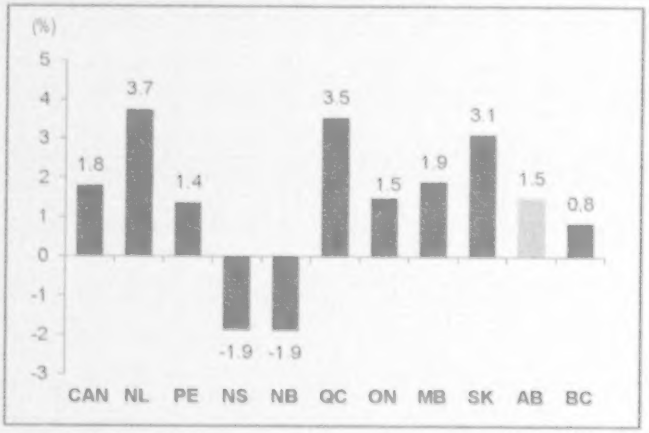
CPI Inflation
(November 2012, year-over-year growth in CPI)



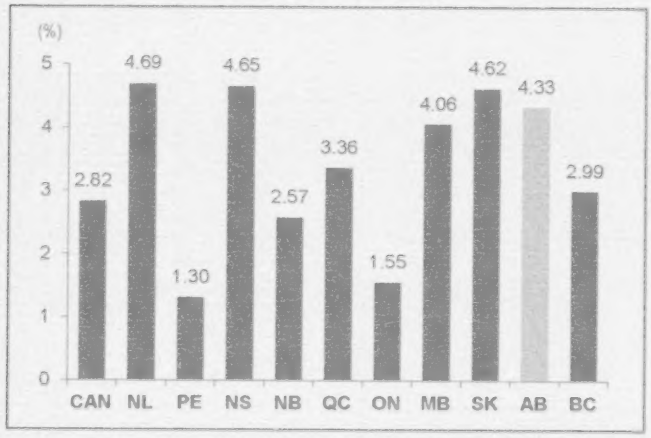
Unemployment Rate
(December 2012)



Employment
(December2012, year-over-year growth)



Average Weekly Earnings
(October 2012, year-over-year growth)



Housing Starts
(November 2012, SAAR, year-over-year growth)